



RBA: Momark
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA ITEM NO: 3
AGENDA DATE: 09/24/2009
PAGE: 1 OF 2

SUBJECT: Approve negotiation and execution of an Acquisition and Development Program loan to MOMARK DEVELOPMENT, LLC in an amount not to exceed \$1,815,300, to assist with the acquisition and development of 9.41 undeveloped acres of land.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Austin Housing Finance Corporation.

FISCAL NOTE: A fiscal note is attached.

REQUESTING DEPARTMENT: Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3100

PRIOR BOARD ACTION:

PRIOR COUNCIL ACTION:

The requested Acquisition and Development Program funding will facilitate the acquisition and development of 9.41 acres of undeveloped land. The project will construct fifty (50) single-family detached homes to be sold to low- and moderate-income homebuyers and is located at 2903 Cameron Loop.

Funding Request

- \$800,000 for the acquisition of property on Cameron Loop located south of West William Cannon Drive and just east of Westgate Boulevard.
- \$1,015,300 for infrastructure development.
- If approved, the AHFC investment would represent \$36,606 per house.

Estimated sources and uses of funds for the project are as follows:

<u>Sources:</u>		<u>Uses:</u>	
G.O. Bond Funds	\$1,815,300	Acquisition	\$800,000
Momark Private Financing	<u>5,191,354</u>	Pre-Development&Development	2,056,654
Total	\$7,006,654	Hard Costs	3,625,000
		Soft and Carrying Costs	<u>525,000</u>
		Total	\$7,006,654

The requested funding is available in the Fiscal Year 2009-2010 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing to provide home ownership opportunities for low- and moderate-income households.

Development Characteristics

- Home sizes will range from 900 square feet to 1,750 square feet
- Prices are estimated to be between \$95,000 to \$145,000
- Long-term affordability will be achieved by using a Shared Equity ownership model and Right of First Refusal.
- The developer has an agreement with PeopleTrust, a local non-profit organization, to provide marketing services, to ensure buyers are income-eligible, and to service the long-term affordability component for the subdivision.
- FrameWorks CDC, a local non-profit, will provide the homebuyer education component.
- The entire project is expected to be completed and the homes sold by the end of September 2011.

Population Served

- All homes will be reserved for households with incomes at 80 percent or less of the Median Family Income (MFI), currently \$58,650 for a family of four.
- The lower priced homes could be affordable to households at 50 percent MFI, currently \$36,650 for a family of four.

The project was sent to the Housing Bond Review Committee (HBRC) for review on July 15, 2009. The HBRC supported the project.

Momark Development, LLC (Momark)

Momark, led by Mr. Terry Mitchell, has completed or is in the process of completing developments such as Plum Creek, Chestnut Commons, the MacMora Cottages, the Austonian, and the Sanctuary Lofts. Momark has received awards from Envision Central Texas for Best New Development of 2006 (Plum Creek) and Best New Development of 2007 (the MacMora Cottages) and was a finalist for Best Redevelopment in 2006 (Sanctuary Lofts).

**AUSTIN HOUSING FINANCE CORPORATION
CIP BUDGET
FISCAL NOTE**

Date of Board Consideration: 10/15/2009
Agenda Item: Momark Development,
LLC
Division: Real Estate and Finance
Development

SUBJECT:

Approve negotiation and execution of a loan to Momark Development, LLC for the acquisition and development of fifty new single-family detached homes on 9.41 undeveloped acres of land located at 2903 Cameron Loop, Austin, Texas, to be sold to low-and moderate-income buyers, in an amount not to exceed \$1,815,300.

FINANCIAL INFORMATION:

Parent Project Name: 2006 General Obligation Housing Bonds
Project Authorization: Approved AHFC Capital Budget

Current Appropriation	\$ 39,800,000.00
Unencumbered Balance	\$ 8,279,032.42
Amount of This Action (1,815,300.00)	\$
Remaining Balance	\$ 6,463,732.42

Use of Remaining Balance:

Remaining funds will be used for future eligible projects.

Community Development Administrator
(over AHFC Finances)

Signature: Diana L. Domeracki

Date: 9/16/2009